



DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects, Western Area Colorado Missouri Balancing Authority, and Colorado River Storage Project - Rate Order No. WAPA-196

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order extending transmission and ancillary services formula rates.

SUMMARY: The extension of the existing Loveland Area Projects (LAP) transmission and LAP, Western Area Colorado Missouri Balancing Authority (WACM), and Colorado River Storage Project (CRSP) ancillary services formula rates has been confirmed, approved, and placed into effect on an interim basis. The existing formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1, (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control (VAR) support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) are set to expire on September 30, 2021. This rate extension makes no changes to the existing formula rates and extends them through September 30, 2024.

DATES: The extended formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) will be placed into effect on an interim basis on October 1, 2021.

FOR FURTHER INFORMATION CONTACT: Barton V. Barnhart, Regional Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, email: LAPtransadj@wapa.gov, or

Sheila D. Cook, Rates Manager, Rocky Mountain Region, Western Area Power Administration, telephone 970-685-9562, email: scook@wapa.gov.

SUPPLEMENTARY INFORMATION: WAPA published a *Federal Register* notice on April 21, 2021 (86 FR 20689), proposing to extend the existing formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1, (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) through September 30, 2024. The Proposed FRN also initiated a 30-day public consultation and comment period. Under a concurrent but separate rate adjustment process for this same 3-year period, October 1, 2021, through September 30, 2024, WAPA, with Rate Order No. WAPA-197, is converting the formula rates for short-term sales for RMR to use under the Western Energy Imbalance Service Market to long-term formula rates.

Legal Authority

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration's (WAPA) Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve on a final basis, remand, or disapprove such rates to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redlegation Order No. S4-DEL-OE1-2021, effective March 25, 2021, the Acting Under Secretary for Science (and Energy) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redlegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary

for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This redelegation order, despite predating the February 2021 and March 2021 delegations, remains valid. This extension is issued under Redelegation Order No. 00-002.10-05 and Department of Energy (DOE) rate extension procedures as set forth at 10 CFR 903.23(a).¹

Following review of RMR's proposal, I hereby confirm, approve, and place Rate Order No. WAPA-196 into effect on an interim basis. This extends, without adjustment, the existing Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) through September 30, 2024. WAPA will submit Rate Order No. WAPA-196 and the extended rate schedules to FERC for confirmation and approval on a final basis.

¹ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

**DEPARTMENT OF ENERGY
ADMINISTRATOR, WESTERN AREA POWER ADMINISTRATION**

In the Matter of:)	
)	
Western Area Power Administration)	
Extension for the Rocky Mountain Region)	Rate Order No. WAPA-196
Transmission and Ancillary Services)	
Formula Rates)	

**ORDER CONFIRMING, APPROVING, AND PLACING FORMULA RATES FOR
THE LOVELAND AREA PROJECTS, WESTERN AREA COLORADO MISSOURI
BALANCING AUTHORITY, AND THE COLORADO RIVER STORAGE PROJECT
INTO EFFECT ON AN INTERIM BASIS**

The formula rates in Rate Order No. WAPA-196 are established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).²

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration's (WAPA) Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve on a final basis, remand, or disapprove such rates to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redelegation Order No. S4-DEL-OE1-2021, effective March 25, 2021, the Acting Under Secretary for Science (and Energy) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates

² This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

into effect on an interim basis to WAPA's Administrator. This redelegation order, despite predating the February 2021 and March 2021 delegations, remains valid. This extension is issued under Redelelegation Order No. 00-002.10-05 and DOE rate extension procedures as set forth at 10 CFR 903.23(a).³

BACKGROUND

On March 9, 2017, FERC approved and confirmed Loveland Area Projects (LAP) transmission and LAP, Western Area Colorado Missouri Balancing Authority (WACM), and Colorado River Storage Project (CRSP) ancillary services formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control (VAR) support), L-AS3 (regulation), L-AS4 (energy imbalance), L-AS5 (spinning reserves), L-AS6 (supplemental reserves), L-AS7 (transmission losses), L-AS9 (generation imbalance), and L-M1 (sales of surplus products) under Rate Order No. WAPA-174 on a final basis for a 5-year period through September 30, 2021.⁴ Under Rate Order No. WAPA-179, Rate Schedule L-M1 was superseded by Rate Schedule L-M2.⁵ On December 29, 2020, WAPA's Administrator approved rates for short-term sales for RMR to use under the Western Energy Imbalance Service Market, which superseded rate schedules L-AS4 (energy imbalance), L-AS7 (transmission losses), and L-AS9 (generator imbalance) and which created a new Rate Schedule, L-NFJDT (joint dispatch transmission).⁶

The remaining existing rates, addressed herein, continue to provide adequate revenue to recover annual expenses, including interest expense, and repay capital investments

³ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

⁴ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket Nos. EF16-5-000 and ER16-5-001, 158 FERC ¶ 62,181 (2017).

⁵ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF18-3-000, 163 FERC ¶ 62,115 (2018).

⁶ See "Short-Term Rate Memo - RMR WEIS – *Approved December 29, 2020*" at <https://www.wapa.gov/regions/RM/rates/Pages/2021-Rates-for-Short-Term-Sales.aspx>.

within allowable time periods. This ensures repayment within the cost recovery criteria as set forth in DOE Order RA 6120.2.

DISCUSSION

In accordance with 10 CFR 903.23(a), WAPA filed a notice in the *Federal Register* on April 21, 2021, proposing to extend, without adjustment, Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1, (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) under Rate Order No. WAPA-196.⁷ WAPA determined it was not necessary to hold public information or public comment forums on the proposed formula rate extension, but provided a 30-day consultation and comment period to give the public an opportunity to comment on the proposed extension. The consultation and comment period ended on May 21, 2021, and WAPA received no comments on the proposed formula rate extension.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA previously determined that this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR part 1021.410: B4.3 (Electric power marketing rate changes) and B4.4 (Power marketing services and activities). Categorically excluded projects and activities do not require preparation of either an

⁷ 86 FR 20689 (Apr. 21, 2021).

environmental impact statement or an environmental assessment.⁸ Specifically, WAPA has determined that this rulemaking is consistent with activities identified in part B4, Categorical Exclusions Applicable to Specific Agency Actions (see 10 CFR part 1021, appendix B to subpart D, part B4). A copy of the categorical exclusion determination is available on WAPA's website at:

<https://www.wapa.gov/regions/RM/environment/Pages/CX2016.aspx>. Look for file entitled, "2016-077 Prop Formula Rate Adjust for Transmission Ancillary Services and Sales of Surplus Prods 031016."

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Submission to the Federal Energy Regulatory Commission

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

ORDER

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect on an interim basis, Rate Order No. WAPA-196, which extends the existing LAP transmission and LAP, WACM, and CRSP ancillary services

⁸ The determination was done in compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) through September 30, 2024. The rates will remain in effect on an interim basis until: (1) FERC confirms and approves this extension on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

Signing Authority

This document of the Department of Energy was signed on August 23, 2021, by Tracey A. LeBeau, Interim Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on August 25, 2021.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

**Rate Schedule L-NT1
ATTACHMENT H to OATT
(Supersedes Rate Schedule L-NT1 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**NETWORK INTEGRATION TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

The Transmission Customer will compensate the Loveland Area Projects Transmission Service Provider (LAPT) each month for Network Integration Transmission Service under the applicable Network Integration Transmission Service Agreement and the Annual Transmission Revenue Requirement described herein.

Formula Rate

$$\text{Monthly Charge} = \frac{\text{Annual Transmission Revenue Requirement (\$)}}{12} \times \text{Network Service Customer's Load Ratio Share}$$

A calculated Annual Transmission Revenue Requirement will go into effect every October 1 based on updated financial projections and the true-up of previous projections.

**Rate Schedule L-NT1
ATTACHMENT H to OATT
(Supersedes Rate Schedule L-NT1 dated
October 1, 2011, through September 30, 2016)**

The Annual Transmission Revenue Requirement will be posted on the LAPT Open

Access Same-Time Information System website.

**Rate Schedule L-FPT1
SCHEDULE 7 to OATT
(Supersedes Rate Schedule L-FPT1 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT
TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

The Transmission Customer shall compensate the Loveland Area Projects Transmission Service Provider (LAPT) each month for reserved capacity under the applicable Firm Point-to-Point Transmission Service Agreement and the formula rate described herein.

Formula Rate

$$\begin{array}{lcl} \text{Firm} & & \text{Annual Transmission Revenue Requirement (\$)} \\ \text{Point-to-Point} & = & \text{-----} \\ \text{Transmission} & & \text{Firm Transmission Capacity Reservations (kW) plus} \\ \text{Service Formula Rate} & & \text{Network Integration Transmission Service Capacity (kW)} \end{array}$$

**Rate Schedule L-FPT1
SCHEDULE 7 to OATT
(Supersedes Rate Schedule L-FPT1 dated
October 1, 2011, through September 30, 2016)**

A calculated charge will go into effect every October 1 based on the formula above, updated financial and load projections, and the true-up of previous projections. The annual charge will be posted on the LAPT Open Access Same-Time Information System (OASIS) website.

Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by LAPT must be announced to all eligible customers solely by posting on the LAPT OASIS website; (2) any customer-initiated requests for discounts, including requests for use by LAP Marketing, must occur solely by posting on the LAPT OASIS website; and (3) once a discount is negotiated, details must be immediately posted on the LAPT OASIS website. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, LAPT must offer the same discounted transmission service rate for the same time period to all eligible customers on all unconstrained transmission paths that go to the same point(s) of delivery on the transmission system.

**Rate Schedule L-NFPT1
SCHEDULE 8 to OATT
(Supersedes Rate Schedule L-NFPT1 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN POWER AREA ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

The Transmission Customer will compensate the Loveland Area Projects Transmission Service Provider (LAPT) for Non-Firm Point-to-Point Transmission Service under the applicable Non-Firm Point-to-Point Transmission Service Agreement and the formula rate described herein.

Formula Rate

Maximum Non-Firm Point-to-Point	=	Firm Point-to-Point
Transmission Service Formula Rate		Transmission Service Formula Rate

A calculated charge will go into effect every October 1 based on the formula above, updated financial and load projections, and the true-up of previous projections. The

**Rate Schedule L-NFPT1
SCHEDULE 8 to OATT
(Supersedes Rate Schedule L-NFPT1 dated
October 1, 2011, through September 30, 2016)**

annual charge will be posted on the LAPT Open Access Same-Time Information System (OASIS) website.

Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by LAPT must be announced to all eligible customers solely by posting on the LAPT OASIS website; (2) any customer-initiated requests for discounts, including requests for use by LAP Marketing, must occur solely by posting on the LAPT OASIS; and (3) once a discount is negotiated, details must be immediately posted on the LAPT OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, LAPT must offer the same discounted transmission service charge for the same time period to all eligible customers on all unconstrained transmission paths that go to the same point(s) of delivery on the transmission system.

**Rate Schedule L-UU1
SCHEDULE 10 to OATT
(Supersedes Rate Schedule L-UU1 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**UNRESERVED USE PENALTIES
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

The Transmission Customer shall compensate the Loveland Area Projects Transmission Service Provider (LAPT) each month for any unreserved use of the transmission system (Unreserved Use) under the applicable transmission service formula rates as described herein. Unreserved Use occurs when an eligible customer uses transmission service it has not reserved or a Transmission Customer uses transmission service in excess of its reserved capacity. Unreserved Use may also include a Transmission Customer's failure to curtail transmission when requested, a Network Integration Transmission Service (Network) Customer's scheduled delivery of off-system non-designated purchases using transmission capacity reserved for designated Network

**Rate Schedule L-UU1
SCHEDULE 10 to OATT
(Supersedes Rate Schedule L-UU1 dated
October 1, 2011, through September 30, 2016)**

resources, and a Network Customer's use of Network service or secondary service to facilitate a wholesale sale that does not serve a Network load.

Penalty Rate

The penalty charge for a Transmission Customer who engages in Unreserved Use is 200 percent of the Loveland Area Project's approved formula rate for Firm Point-to-Point Transmission Service assessed as follows: the Unreserved Use Penalty for a single hour of Unreserved Use is based upon the charge for daily Firm Point-to-Point Transmission Service. The Unreserved Use Penalty for more than one assessment for a given duration (e.g., daily) increases to the next longest duration (e.g., weekly). The Unreserved Use Penalty for multiple instances of Unreserved Use (e.g., more than one hour) within a day is based on the charge for daily Firm Point-to-Point Transmission Service. The Unreserved Use Penalty for multiple instances of Unreserved Use isolated to one calendar week is based on the charge for weekly Firm Point-to-Point Transmission Service. The Unreserved Use Penalty for multiple instances of Unreserved Use during more than one week in a calendar month is based on the charge for monthly Firm Point-to-Point Transmission Service.

A Transmission Customer who exceeds their reserved capacity at any point of receipt or point of delivery, or an eligible customer who uses transmission service at a point of receipt or point of delivery it has not reserved, is required to pay for all ancillary services provided by LAPT and associated with the Unreserved Use. The Transmission Customer

**Rate Schedule L-UU1
SCHEDULE 10 to OATT
(Supersedes Rate Schedule L-UU1 dated
October 1, 2011, through September 30, 2016)**

will pay for ancillary services based on the amount of transmission service it used and did not reserve.

**Rate Schedule L-AS1
SCHEDULE 1 to OATT
(Supersedes Rate Schedule SP-SD4
and Rate Schedule L-AS1 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Colorado River Storage Project
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

**SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

This rate schedule applies to Colorado River Storage Project Transmission (CRCM) and Loveland Area Projects Transmission (LAPT) as Transmission Service Providers (TSPs) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Scheduling, System Control, and Dispatch Service is required to schedule the movement of power through, out of, within, or into WACM. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located.

The CRCM and LAPT TSPs must offer this service and the Federal Transmission Customers must purchase this service from the CRCM and LAPT TSPs. WACM

**Rate Schedule L-AS1
SCHEDULE 1 to OATT
(Supersedes Rate Schedule SP-SD4
and Rate Schedule L-AS1 dated
October 1, 2011, through September 30, 2016)**

provides this service on behalf of all TSPs within WACM and those TSPs must purchase this service from WACM.

The charge will be applied to all schedules, except those for the delivery of transmission losses to WACM. WACM will accept any number of scheduling changes over the course of the day without any additional charge. Unless other arrangements are made with WACM, the charge will be allocated equally among all TSPs, both Federal and non-Federal, listed on the schedule who are inside WACM. The Federal transmission segments of the schedule are exempt from invoicing, as costs for these segments are included in the CRCM and LAPT transmission service rates.

Formula Rate

$$\begin{array}{lcl} \text{Charge} & & \text{Annual Cost of Scheduling Personnel and Related Costs (\$)} \\ \text{per} & = & \text{-----} \\ \text{Schedule} & & \text{Number of Schedules per Year, excluding schedules for} \\ & & \text{Delivery of Losses to WACM} \end{array}$$

The annual cost of scheduling personnel and related costs includes annual costs associated with transmission scheduling (i.e., personnel, facilities, equipment and software, as well as credits representing fees for agent services).

The number of schedules per year is the yearly total of daily tags which result in a schedule, excluding loss schedules.

A calculated charge will go into effect every October 1 based on the formula above and updated financial and schedule data. The annual charge will be posted on the CRCM and LAPT Open Access Same-Time Information System websites.

**Rate Schedule L-AS2
SCHEDULE 2 to OATT
(Supersedes Rate Schedule SP-RS4
and Rate Schedule L-AS2 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

ROCKY MOUNTAIN REGION

**Colorado River Storage Project
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

**REACTIVE SUPPLY AND VOLTAGE CONTROL FROM
GENERATION OR OTHER SOURCES SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs first. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

This rate schedule applies to Colorado River Storage Project (CRSM) and Loveland Area Projects (LAPT) as Transmission Service Providers (TSPs) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Reactive Supply and Voltage Control from Generation or Other Sources Services (VAR Support Service) is required to maintain transmission voltages on the TSPs transmission facilities within acceptable limits, using generation facilities and non-generation resources capable of providing this service to produce or absorb reactive power. Thus, VAR Support Service must be provided for each transaction on the transmission facilities within the

**Rate Schedule L-AS2
SCHEDULE 2 to OATT
(Supersedes Rate Schedule SP-RS4
and Rate Schedule L-AS2 dated
October 1, 2011, through September 30, 2016)**

Control Area. The amount of VAR Support Service supplied to the transmission transactions will be based on the VAR Support Service necessary to maintain transmission voltages within limits generally accepted in the region and consistently adhered to by WACM.

The CRCM and LAPT TSPs must offer this service for each transaction and the Federal Transmission Customers must purchase this service from the CRCM and LAPT TSPs, unless the Transmission Customer has generating resources capable of providing VARs directly connected to a Federal transmission facility owned and operated by CRCM and/or LAPT and has executed a contract stipulating all the provisions of their self-supply. If WACM provides VAR Support Service on behalf of any non-Federal TSP, VAR Support Service will be assessed based on either the TSP's reserved capacity or the tagged megawatt usage of the TSP's Transmission Customers.

Formula Rate

$$\begin{array}{lcl} \text{VAR} & & \text{Annual Revenue Requirement for VAR Support Service (\$)} \\ \text{Support Service} & = & \text{-----} \\ \text{Formula Rate} & & \text{Transmission Transactions Requiring} \\ & & \text{VAR Support Service (kW)} \end{array}$$

The annual revenue requirement for VAR Support Service equals the revenue requirement for Federal generation times the % of resource capacity used for VAR Support Service (1 minus power factor) plus other resources, e.g., energy and transmission costs for condensing Federal generating units minus applicable revenue credits related to WACM providing service.

**Rate Schedule L-AS2
SCHEDULE 2 to OATT
(Supersedes Rate Schedule SP-RS4
and Rate Schedule L-AS2 dated
October 1, 2011, through September 30, 2016)**

The transmission transactions requiring VAR Support Service equals transmission capacity use of the Federal transmission systems; including point-to-point and network service on LAPT and CRCM transmission systems.

A calculated charge will go into effect every October 1 based on the formula above and updated financial and capacity data. The annual charge will be posted on the CRCM and LAPT Open Access Same-Time Information System websites.

**Rate Schedule L-AS3
SCHEDULE 3 to OATT
(Supersedes Rate Schedule SP-FR4
and Rate Schedule L-AS3 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Colorado River Storage Project
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

**REGULATION AND FREQUENCY RESPONSE SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

This rate schedule applies to Colorado River Storage Project (CRCM) and Loveland Area Projects (LAPT) as Transmission Service Providers (TSPs) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Regulation and Frequency Response Service (Regulation Service) is necessary to provide for the continuous balancing of resources, generation, and interchange with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered, predominantly through the use of automatic generation control (AGC) equipment as necessary, to follow the moment-by-moment changes in load. All loads

**Rate Schedule L-AS3
SCHEDULE 3 to OATT
(Supersedes Rate Schedule SP-FR4
and Rate Schedule L-AS3 dated
October 1, 2011, through September 30, 2016)**

inside the Control Area consume regulation; therefore, WACM, by default, provides Regulation Service to all loads inside the Control Area.

The CRCM and LAPT TSPs offer this service when transmission service is used to serve load within WACM and the Federal Transmission Customers must purchase this service from the CRCM and LAPT TSPs or make alternative comparable arrangements with WACM to satisfy their regulation obligations. For the Load Serving Entities (LSEs) who are not taking transmission service from CRCM and LAPT, WACM will assess Regulation Service charges for their load and for their variable resources inside WACM.

The formula rate will be assessed to all applicable Federal Transmission Customers and to all applicable non-Federal LSEs serving load inside WACM.

Formula Rate

$$\begin{array}{lcl}
 \text{Regulation} & & \text{Total Annual Revenue Requirement for Regulation Service (\$)} \\
 \text{Service} & = & \text{-----} \\
 \text{Formula Rate} & & \text{Load inside WACM Requiring Regulation Service (kW)} \\
 & & + \\
 & & \text{(Installed Nameplate Capacity of Wind Generators Serving Load inside WACM} \\
 & & \text{X} \\
 & & \text{Wind Capacity Multiplier) (kW)} \\
 & & + \\
 & & \text{(Installed Nameplate Capacity of Solar Generators Serving Load inside WACM} \\
 & & \text{X} \\
 & & \text{Solar Capacity Multiplier) (kW)}
 \end{array}$$

The total annual revenue requirement for Regulation Service includes such costs as LAP and CRSP plant costs, purchases of regulation products, purchases of power in

**Rate Schedule L-AS3
SCHEDULE 3 to OATT
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support of the generating units' ability to regulate, purchases of transmission for regulating units trapped geographically inside another balancing authority, purchases of transmission required to relocate energy due to regulation/load following issues, and lost on-peak sales opportunities resulting from the requirement to generate at night to permit units to have "down" regulating capability.

The total load for Regulation Service equals load inside WACM requiring Regulation Service, plus the installed nameplate capacity of wind generators serving load inside WACM times the wind capacity multiplier, plus the installed nameplate capacity of solar generators serving load inside WACM times the solar capacity multiplier.

A calculated charge will go into effect every October 1 based on the formula above and updated financial, load, and capacity multiplier data. The annual charge and multipliers will be posted on the CRCM and LAPT Open Access Same-Time Information System websites.

Types

There are two different applications of this Formula Rate:

1. Load-based Assessment: The charge is assessed on an entity's auxiliary load (total metered load less applicable Federal entitlements) and on the amount stated in any BA or transmission service agreements. The charge is also applied to the installed nameplate capacity of all variable energy resources, including wind and

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SCHEDULE 3 to OATT
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solar generators, serving load inside WACM multiplied by the applicable annually calculated Capacity Multiplier.

2. Self-provision Assessment: WACM allows entities with AGC to self-provide for all or a portion of their loads. Entities with AGC are known as Sub-Balancing Authorities (SBA) and must meet all of the following criteria:

- a. Have a well-defined boundary, with WACM-approved revenue-quality metering, accurate as defined by the North American Electric Reliability Corporation (NERC), to include Megawatt flow data availability at 6-second or smaller intervals;
- b. Have AGC responsive unit(s);
- c. Demonstrate Regulation Service capability; and
- d. Execute a contract with WACM in which entities agree to:
 - i. Provide all requested data to WACM.
 - ii. Meet SBA error criteria as described below.

Self-provision is measured by use of the entity's 1-minute average Area Control Error (ACE) to determine the amount of self-provision. The ACE is used to calculate the Regulation Service charges every hour as follows:

- a. If the entity's 1-minute average ACE for the hour is less than or equal to 0.5 percent of its hourly average load, no Regulation Service charge is assessed for that hour.

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- b. If the entity's 1-minute average ACE for the hour is greater than or equal to 1.5 percent of its hourly average load, WACM assesses Regulation Service charges to the entity's entire auxiliary load, using the hourly Load-based Assessment applied to the entity's auxiliary 12-cp load for that month.
- c. If the entity's 1-minute average ACE for the hour is greater than 0.5 percent of its hourly average load, but less than 1.5 percent of its hourly average load, WACM assesses Regulation Service charges based on linear interpolation of zero charge and full charge, using the hourly Load-based Assessment applied to the entity's auxiliary 12-cp load for that month.
- d. WACM monitors the entity's Self-provision on a regular basis. If WACM determines the entity has not been attempting to self-regulate, WACM will, upon notification, employ the Load-based Assessment described in No. 1, above.

Alternative Arrangements

Exporting Variable Resource Requirement: WACM does not provide Regulation Service to variable resources inside the WACM Control Area which are not used to serve load inside the WACM Control Area. An entity that exports the output from a variable generator to another Control Area will be required to dynamically meter or dynamically schedule the resource out of the WACM Control Area to another Control Area unless

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arrangements, satisfactory to WACM, are made for the entity to acquire this service from a third party or self-supply (as outlined below). A variable generator is one whose output

is volatile and variable due to factors beyond direct operational control and, therefore, is not dispatchable.

Self- or Third-party supply: WACM may allow an entity to supply some or all of its required regulation, or contract with a third party to do so. This entity must have revenue quality metering at every load and generation point, accurate as defined by NERC, to include MW flow data availability at 6-second or smaller intervals. WACM will evaluate the entity's metering, telecommunications and regulating resource, as well as the required level of regulation, and determine whether the entity qualifies to self-supply under this provision. If approved, the entity is required to enter into a separate agreement with WACM which will specify the terms of the self-supply application.

Customer Accommodation

For entities unwilling to take Regulation Service, self-provide as described above, or acquire the service from a third party, WACM will assist the entity in dynamically metering its loads/resources to another Control Area. Until such time as meter configuration is accomplished, the entity will be responsible for charges assessed under the formula rate in effect.

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SCHEDULE 5 to OATT
(Supersedes Rate Schedule L-AS5 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects and
Western Area Colorado Missouri Balancing Authority**

**OPERATING RESERVE - SPINNING RESERVE SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

This rate schedule applies to Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output.

The LAPT TSP must offer this service when transmission service is used to serve load within WACM and the Federal Transmission Customers must purchase this service from the LAPT TSP or make alternative comparable arrangements with WACM to satisfy their Spinning Reserve obligations. WACM may be willing to provide Spinning Reserves to

Rate Schedule L-AS5
SCHEDULE 5 to OATT
(Supersedes Rate Schedule L-AS5 dated
October 1, 2011, through September 30, 2016)

other entities, providing the entities enter into separate agreements with WACM which will specify the terms of the Spinning Reserve Service.

Formula Rate

The LAPT TSP and WACM have no Spinning Reserves available for sale. At a customer's request, the Rocky Mountain Region will purchase Spinning Reserves and pass through the cost and any activation energy, plus a fee for administration. The customer will be responsible for providing the transmission to deliver the Spinning Reserves purchased.

**Rate Schedule L-AS6
SCHEDULE 6 to OATT
(Supersedes Rate Schedule L-AS6 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects and
Western Area Colorado Missouri Balancing Authority**

**OPERATING RESERVE – SUPPLEMENTAL RESERVE SERVICE
(Approved Under Rate Order No. WAPA-174)**

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier. [Note: This rate schedule was extended by Rate Order No. WAPA-196 through September 30, 2024.]

Applicable

This rate schedule applies to the Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) and the Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation, or by interruptible load.

The LAPT TSP must offer this service when the transmission service is used to serve load within WACM and the Federal Transmission Customers must purchase this service from the LAPT TSP or make alternative comparable arrangements with WACM to

**Rate Schedule L-AS6
SCHEDULE 6 to OATT
(Supersedes Rate Schedule L-AS6 dated
October 1, 2011, through September 30, 2016)**

satisfy their Supplemental Reserve obligations. WACM may be willing to provide Supplemental Reserves to other entities, providing the entities enter into separate agreements with WACM which will specify the terms of the Supplemental Reserve Service.

Formula Rate

The LAPT TSP and WACM have no Supplemental Reserves available for sale. At a customer's request, the Rocky Mountain Region will purchase Supplemental Reserves and pass through the cost and any activation energy, plus a fee for administration. The customer will be responsible for providing the transmission to deliver the Supplemental Reserves purchased.

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